

Message Text

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PAGE 01 MOSCOW 17103 211630Z
ACTION EUR-12

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SUBJECT: 1977 SOVIET FOREIGN TRADE YEARBOOK
REF: (A) MOSCOW 16798; (B) MOSCOW 5866

1. DATA IN RECENTLY PUBLISHED SOVIET FOREIGN TRADE YEAR-
BOOK (COPIES BEING POUCHED TO DEPARTMENT) FOR 1977
ILLUSTRATE THAT MOST STRIKING DEVELOPMENT IN SOVIET
FOREIGN TRADE WAS DECLINE IN IMPORTS FROM WESTERN
DEVELOPED COUNTRIES. IMPORTS FROM MAJOR WESTERN PARTNERS
IN SINGLE MOST IMPORTANT IMPORT CATEGORY--MACHINERY,
EQUIPMENT, AND MEANS OF TRANSPORT-- FELL SLIGHTLY, WHILE
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PAGE 02 MOSCOW 17103 211630Z

IMPORTS IN THIS CATEGORY FROM SOCIALIST COUNTRIES ROSE
15 PERCENT. SHARP DECLINES WERE REGISTERED IN IMPORTS
OF PIPE FROM MAJOR WESTERN PARTNERS (DOWN 28 PERCENT
FROM 1976), AND ROLLED FERROUS METALS (OFF 13 PERCENT.)
2. WITH RESPECT TO SOVIET EXPORTS, OIL CONTINUED TO PLAY
PROMINENT ROLE IN HARD CURRENCY TRADE. OIL EXPORTS TO
CTE#MAJOR HARD CURRENCY TRADE PARTNERS WERE VALUED AT

R3.4 BILLION, ABOUT 48 PERCENT OF TOTAL EXPORT VALUE TO THESE COUNTRIES (VIRTUALLY THE SAME PERCENTAGE AS IN 1976). VALUE OF OIL SHIPMENTS TO FIVE EAST EUROPEAN PARTNERS LISTED AT R3.3 BILLION, ABOUT 27 PERCENT OF TOTAL SOVIET EXPORTS TO THESE COUNTRIES.

3. AS OPPOSED TO PAST EDITIONS, THE 1977 YEARBOOK PROVIDES NO DATA ON VOLUME OF OIL SHIPMENTS (SEE PARA. 4). THUS, IT CANNOT BE USED TO DETERMINE PRECISELY HOW MUCH OF RUBLE INCREASE CAN BE ATTRIBUTED TO INCREASE IN INTRA-CEMA OIL PRICES. RAW RUBLE VALUES INDICATE INCREASE OF 25 PERCENT OVER 1976 IN OIL EXPORTS TO 5 CEMA PARTNERS. HOWEVER, IF REPORTED RISE IN PRICE OF SOVIET OIL TO HUNGARY IN 1977 OF 22.5 PERCENT WERE APPLIED TO THESE FIGURES (ADMITTEDLY A VERY ROUGH ESTIMATE), NEARLY THREE-QUARTERS OF VALUE OF SOVIET OIL EXPORTS TO EUROPEAN CEMA PARTNERS WOULD BE EXPLAINED BY PRICE INCREASES. RUBLE VALUE OF SUCH EXPORTS NOT ACCOUNTED FOR BY PRICE CHANGES WOULD THEN IMPLY ONLY ABOUT 9 PERCENT INCREASE IN VOLUME OF OIL OVER 1976. THE INCREASE IN VALUE OF OIL EXPORTS TO 13 WESTERN PARTNERS, BY CONTRAST, WAS MORE THAN 12 PERCENT.

4. DISCONTINUATION OF DATA SERIES FOR QUANTITY OF SOVIET OIL EXPORTS IS ONLY ONE EXAMPLE OF ACCELERATING TREND SINCE 1975 TOWARD OMISSION OR ABRIDGEMENT OF DATA ON SOVIET LIMITED OFFICIAL USE

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PAGE 03 MOSCOW 17103 211630Z

EXPORTS OF MANY IMPORTANT RAW MATERIALS AND SEMI-MANUFACTURES. 1975 YEARBOOK, FOR EXAMPLE, PROVIDED PRICE AND QUANTITY DATA FOR NON-FERROUS METALS, ROLLED FERROUS METALS, AND COAL, WITH PRODUCT BREAKDOWNS WITHIN EACH OF THESE CATEGORIES. IN 1976, PRICE AND MOST QUANTITY BREAKDOWNS CONTINUED TO BE PROVIDED, BUT MOST PRODUCT BREAKDOWNS WITHIN CATEGORIES WERE OMITTED. IN THE CURRENT YEARBOOK, ONLY PRICE DATA ARE PROVIDED FOR THESE CATEGORIES, WITH EXCEPTION OF NON-FERROUS METALS, WHICH HAVE BEEN OMITTED ALTOGETHER.

COMMENT: DECLINE IN QUALITY OF FOREIGN TRADE DATA PROBABLY IS ATTRIBUTABLE IN PART TO SOVIET SENSITIVITY TO DATA REVEALING INCONSISTENCIES BETWEEN PRICES CHARGED FOR RAW MATERIALS IN INTRA-CEMA TRADE AND PRICES SUPPOSEDLY TO BE CHARGED ACCORDING TO SO-CALLED CEMA "PRICE FORMULA." IN ANY CASE, DECLINE IN AMOUNT AND QUALITY OF DATA IS CLEARLY INCONSISTENT WITH CSCE BASKET II UNDERTAKING TO IMPROVE FLOW OF ECONOMIC INFORMATION.

MATLOCK

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